

Energize Indiana Update

Issue 19

The Latest Job Creation News From the O'Bannon-Kernan Administration

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The News in brief...

Energize Indiana passes

Five months ago Governor O'Bannon called on lawmakers to think boldly, act decisively and follow his and Lt. Gov. Kernan's vision for an economically vibrant Indiana.

Today that vision, Energize Indiana, became reality.

The governor's plan was passed today as the most sweeping economic-development initiative in Indiana's history.

Governor O'Bannon's plan will create high-wage, high-skill jobs in four high-tech business sectors: life sciences, advanced manufacturing, information technology and high-tech distribution. His plan will also generate educational and vocational opportunities for Hoosier students of all ages and increase Hoosiers' per capita income.

"Today is a victory for Hoosiers," Governor O'Bannon said. "It's a victory for college graduates beginning their careers; Hoosier workers affected by the national recession; Indiana's high-tech and traditional businesses; and Hoosier communities and their public schools."

"Today we chose to act. Today we – the administration and the General Assembly – chose to Energize Indiana."

Energize Indiana status report

Energize Indiana provision	Energize Indiana investments	Status
Inventory tax elimination	Amends the Indiana Constitution to eliminate tax after a statewide vote in 2004	Passed
K-12 education	\$124 M in FY 04; \$166 M FY 05 in new money for schools	Passed
SSACI funding support	\$30 M a year	Passed
University construction projects	Authority for \$344 M of construction, including all EI research projects	Passed
Worker skills assessment and job matching (federal Reed Act funds)	\$5 M a year for five years	Passed
Modernization of state unemployment insurance (federal Reed Act funds)	\$39.2 M	Passed
Extension of unemployment benefits (federal Reed Act Funds)	Extension provided by federal government; funds directed to Unemployment Insurance Trust Fund	Passed
Research and development/commercialization	\$37.5 M a year for the 21st Century Research and Technology Fund	Passed
Rural development	\$4.2 M a year	Passed
Port Commission financing for infrastructure projects	Authority to the Indiana Port Commission to finance \$100 M in economic development projects statewide	Passed
Certified technology parks	\$4.5 M a year	Passed
PERF & TRF targeted investments	A statement that PERF and TRF should consider investing \$100 M in Indiana high-tech businesses	Passed
Extension of research and development tax credit	Extended until 2013 at 10 percent, an investment of \$675 M	Passed

Other investments included in Energize Indiana

- \$50 M over five years for tax credits to promote Indiana venture capital initiatives
- \$2 M a year for a tax credit to adaptively reuse coal ash, a byproduct of industrial coal use
- \$10 M lifetime cap for ethanol products; \$3 M lifetime cap for biodiesel agricultural products
- \$5 M a year to expand the Light fiber optic network between major research institutions
- \$1M over the biennium to promote Indiana's business-friendly tax structure
- \$2.2 M over the biennium to make improvements at the Gary-Chicago Airport
- \$500,000 a year for a new industrial development program for distressed counties
- Tax credits for industrial expansion and development; government efficiency initiatives

"Energize Indiana creates jobs now and in the future, and ensures that Hoosiers will lead the way out of this national recession."

Gov. O'Bannon to Hoosiers after the passage of Energize Indiana

At a glance: Energize funding

While the O'Bannon-Kernan administration's original 10-year job creation plan would not have used a single state tax dollar, Energize Indiana, as passed by the General Assembly, will be paid for through a combination of General Fund, tobacco settlement fund, and federal economic-stimulus dollars over the next two years.

Although the General Assembly did not grant the governor authority to securitize a portion of future tobacco settlement payments, he remains confident that securitization, which would generate upfront cash to jumpstart Indiana's economy and shift the risk of non-payment to willing investors, remains a powerful tool.

"I may ask the legislature to reconsider it at a later date," O'Bannon said.

For more information... www.energize.IN.gov

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